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C O N F I D E N T I A L SEOUL 000177

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TAGS: ECON PREL EFIN KS
SUBJECT: KOREA'S GOALS FOR THE G20 IN 2010

Classified By: Economic Minister Counselor Gregory S. Burton.
Reason: 1.4 (B) and (D).

¶1. (C) Summary: Korea's G20 Chairmanship and hosting of the November 11-12 G20 Summit is vitally important to Koreans as proof of the ROK's growing global role. Viewing the G20 as a top national priority, President Lee Myung-bak has created a powerful Presidential Committee to manage the event and plans to use the Summit, along with a series of preliminary meetings, to lock-in the G20's post-crisis agenda. With augmented staffing, Embassy Seoul will be well-positioned to take full advantage of this opportunity. End Summary.

Comment

¶2. (C) In addition to the established Sherpa and Treasury channels, it is imperative that we fully engage with the Presidential Committee and actively participate in the many G20-related events that will occur throughout the year. Post urges Washington agencies to deploy, as soon as possible, a TDY officer to Seoul who will serve as full-time liaison with the ROK Presidential Committee. End Comment.

Top National Priority

¶3. (SBU) ROK President Lee Myung-bak has described Korea's hosting of the November 2010 G20 Summit as a top national priority. In a September 30, 2009 address, Lee said "The nation is now at a historic junction. Through successfully hosting the meeting, the country will contribute to the common growth and progress of the world. And we have to take advantage of the occasion to bolster the status of Korea as well." Lee has stressed that Korea is the first non-G7 member country to host a G20 Summit, a fact emblematic of the new role of the G20 -- with broader membership than the G7 -- as the world's "premier forum for global governance."

¶4. (SBU) Many observers have likened the importance of the G20 Summit for Korea to the country's hosting of the 1988 Summer Olympics, often seen as the moment of South Korea's emergence onto the global stage. As a result of this high visibility approach to its G20 Chairmanship, Korea will hold many public events to foster deeper understanding of the process and reinforce its importance.

¶5. (SBU) Consistent with the importance Korea gives to its G20 Chairmanship, the ROKG has established a large Presidential Committee to carry out the mission. While President Lee heads the Committee, the Chairman is Dr. Sakong Il, one of Korea's most respected economists and statesmen. Korea moved Dr. Rhee Chang-yong from Vice Chairman of the Financial Services Commission to a new role as the President's G20 sherpa. The Committee is composed of offices for public relations, protocol, administration and the substantive bureaus for policy strategy, trade and international cooperation, and global financial

architecture. These last three are mainly composed of offices brought over en masse from the Ministry of Strategy and Finance. Former CNN Korea Seoul Bureau Chief Sohn Jie-ae was appointed as spokesperson for the Committee on February 1.

Setting Dates and Core Themes

¶6. (C) In a January 27 meeting with the Ambassador, Deputy Minister of Strategy and Finance Shin Je-yoon said he would chair the first G20 meeting of the year, a Deputy Finance Ministers/Central Bank Governor meeting in Incheon February 27-28. He also noted the following meetings: March 18-19, G20 Sherpas in Canada; April 20-21, Labor Ministers in Washington; April 23, Finance Ministers and Central Bank Governors in Washington (before IFI meetings); May 24-25, Sherpas in Canada; June 3-5, Finance Ministers and Central Bank Governors in Busan; June 26-27, G20 Summit in Canada; October 8-9, Finance Ministers and Central Bank Governors in Washington (before IFI meetings); and October 22-23, Finance Ministers and Central Bank Governors in Kyungju. The Summit will be November 11-12 in Seoul.

¶7. (C) Shin, who indicated a desire to work closely with the United States to shape the agenda, said many non-core issues had been suggested for the G20 agenda (Comment: We have heard many of these suggestions, as have recent Washington visitors, from influential Koreans in and out of power, including climate change, women's issues, and so on. End comment.) but said that Korea would seek to limit the list to three themes: development; global financial safety net; and exchange rate adjustment. Financial reform and climate change financing could also be addressed. Shin said he would strive to bring China on board to support these themes.

¶8. (C) Shin also flagged participation as an issue. He said the ROK was wrestling with the question of how many countries and regional representatives to invite to the November Summit.

President Lee Voices G20 Themes in Davos

¶9. (SBU) On January 28 in Davos, President Lee Myung-bak pledged to pursue the successful implementation of Pittsburgh's Framework for Strong, Sustainable and Balanced Growth, he also stressed the need to build more resilient global financial system (including countering pro-cyclicality and too-big-to-fail institutions), to reform the IMF and World Bank, and to establish an effective early warning and surveillance mechanism at the international level.

¶10. (SBU) Lee emphasized that development issues would be on the Seoul Summit. Striking a familiar theme, one he has stressed at the UN General Assembly and at the Pittsburgh Summit, Lee touted Korea's experience transitioning from an aid recipient to an aid donor. Lee also broadened the definition of balanced growth to include the closing of the development gap between the advanced and developing countries. He added that Korea would propose the establishment of a Global Financial Safety Net (built on the model of bilateral central bank currency swaps) to prevent sudden reversals in international capital flows. Lee also underscored the importance to the global economy of private investment and job creation and said that Seoul was planning to convene a Business Summit concurrently with the G20 Summit.

STEPHENNS